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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.
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09/166,779	10/06/98	WOOLSTON	T 52811.000004
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LMC1/0705

EXAMINER

SMITH, D

ART UNIT

PAPER NUMBER

2763

DATE MAILED:

07/05/00

*13*

Please find below and/or attached an Office communication concerning this application or proceeding.

Commissioner of Patents and Trademarks

# Office Action Summary

Application No.

09/166,779

Applicant(s)

Woolston

Examiner

Demetra R. Smith

Group Art Unit

2763



☒ Responsive to communication(s) filed on Apr 17, 2000

☐ This action is **FINAL**.

☐ Since this application is in condition for allowance except for formal matters, **prosecution as to the merits is closed** in accordance with the practice under *Ex parte Quayle*, 35 C.D. 11; 453 O.G. 213.

A shortened statutory period for response to this action is set to expire 3 month(s), or thirty days, whichever is longer, from the mailing date of this communication. Failure to respond within the period for response will cause the application to become abandoned. (35 U.S.C. § 133). Extensions of time may be obtained under the provisions of 37 CFR 1.136(a).

## Disposition of Claim

☒ Claim(s) 11-80 is/are pending in the application

Of the above, claim(s) 56-66 is/are withdrawn from consideration

☐ Claim(s) \_\_\_\_\_ is/are allowed.

☒ Claim(s) ~~11-38 and 40-80~~ 11-55 & 67-80 is/are rejected.

☒ Claim(s) 30 is/are objected to.

☐ Claims \_\_\_\_\_ are subject to restriction or election requirement.

## Application Papers

☐ See the attached Notice of Draftsperson's Patent Drawing Review, PTO-948.

☐ The drawing(s) filed on \_\_\_\_\_ is/are objected to by the Examiner.

☐ The proposed drawing correction, filed on \_\_\_\_\_ is ☐ approved ☐ disapproved.

☐ The specification is objected to by the Examiner.

☐ The oath or declaration is objected to by the Examiner.

## Priority under 35 U.S.C. § 119

☐ Acknowledgement is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d).

☐ All ☐ Some\* ☒ None of the CERTIFIED copies of the priority documents have been

☐ received.

☐ received in Application No. (Series Code/Serial Number) \_\_\_\_\_

☐ received in this national stage application from the International Bureau (PCT Rule 17.2(a)).

\*Certified copies not received: \_\_\_\_\_

☐ Acknowledgement is made of a claim for domestic priority under 35 U.S.C. § 119(e).

## Attachment(s)

☐ Notice of References Cited, PTO-892

☒ Information Disclosure Statement(s), PTO-1449, Paper No(s). 12

☐ Interview Summary, PTO-413

☐ Notice of Draftsperson's Patent Drawing Review, PTO-948

☐ Notice of Informal Patent Application, PTO-152

— SEE OFFICE ACTION ON THE FOLLOWING PAGES —

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**Part III DETAILED ACTION**

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0. The election without traverse of Group I is acknowledged. Claims 56-66 are withdrawn.  
**Information Disclosure Statement**

1. The prior art submitted on 05/01/00 has been considered as indicated on the enclosed copies of form PTO-1449

***Claim Objections***

2. Claim 39 is objected to because of the following informalities: Claim 39 depends on itself. Appropriate correction is required.

***Claim Rejections - 35 USC § 112, 2nd***

3. Claims 12, 30 and 34 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

As to claims 12 and 34, exactly what is the structure feature "blocking acceptance" referring to? The specification is silent on its precise definition.

As to claim 30, the term "rejection by said seller of said binding counteroffer by said at least one seller by said seller inputting a second binding offer to sell said item which contains a second binding sell at price from said seller" is confusing. Exactly what is the term referring to and what is Applicant seeking to claim in this claim? The specification is silent on its precise definition.

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***Claim Rejections - 35 USC § 103***

4. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

7-3-00 B 5. Claims 11,<sup>13</sup> 13, 14, 16, 17, 19-~~23~~<sup>30</sup>, 24-26,<sup>34</sup> 31, 32,<sup>34</sup> 35, 36-42, 44-55, 67-80 are rejected under 35 U.S.C. 103(a) as being unpatentable over Nahan et al (5,664,111) in view of "Save the Earth Foundation: Internet Online Rock and Roll Art Auction Celebrating Earth Day is Declared Open to the World for One Month ("Save the Earth").

As to claim 11, 13, 14, 16, 21, 24, 31, 35, 36-38, 40-42, 44-51, 53, 54, 67-72, 75-80, Nahan discloses

a plurality of electronic images of works of art which are for sale are created by at least one listing dealer and stored on the storage equipment associated with the main computer (see abstract lines 4-7);

a system that provides member dealers access to an extensive and diverse collection of artwork . . . , offering member dealers the opportunity to sell their inventory throughout the world. It enables artists to offer their work for sale directly through any member dealer (see col. 2, lines 50-58);

a transparency of the artwork is scanned and indexed with information about the artist, the artwork and keywords describing the work (see col. 6, lines 49-51);

if the buyer knows the title of a work he wants to buy, that can be input via the screen (see col. 8, lines 1-3); if the buyer is interested in the works of a particular artist, that too can be input via the screen (see col. 8, lines 26-28);

an order acceptance notification is electronically conveyed to the buying dealer as well as an inquiry as to any change in the buyer dealer's default shipping instructions . . . the system requests that the buying dealer wire transfer funds to pay for the purchased work. At this time, the listing dealer can issue modified wire transfer instructions such as name and address of bank to receive funds (see col. 13, lines 55-66);

a client can reserve one or more selected works for a period of time (see col. 11, lines 37-41);

if the customer decides to make the purchase, notification is instantly sent throughout the global network and that particular work is no long available for sale (see col. 3, lines 57-59);

new client information can be entered at virtually any time during use of the system. After the new client option is selected, the user can enter detailed client information any time he/she wishes (see col. 12, lines 6-10).

Nahan et al is vague in disclosing the limitation of "accepting said binding counteroffer from said at least one buyer by said seller . . . ." Although not specifically taught in Nahan et al, a transactional system that consists of an auction by nature receive bids from buyers. The bids will

consist of offers for a certain price and another bid from another perspective buyer will consist of a counteroffer and will end at some point in time to award the item for sale to the highest bidder. However, Save the Earth discloses participants are able to receive bids on items over the Internet (see paragraph 5, lines 1-3); items for auction are presented via the world wide web (see paragraph 3 and 4). Thus, it would have been obvious to one having ordinary skill in the art at the time of the invention to have implemented the transaction system of Nahan et al into an auction mode in order to provide an offer and counteroffer from perspective buyers in an auction system for the collective artwork of Nahan et al because Save the Earth provides a well-established means of bidding for items in an auction mode.

As to claims 17, 19, 22 and 23, Nahan et al discloses an order acceptance is conveyed to the buying dealer as well as an inquiry as to any change in the buying dealer's default shipping instructions . . . The system will electronically acknowledge receipt of the modification with a wire transfer change notice to the listing dealer (the buying dealer can also effect changes in the wire transfer instructions for the source of money in the same manner). The transfer is preferably made to an escrow account maintained by the system purveyor (see col. 13, lines 56-67 to col. 14, lines 1-5).

As to claim 20, Nahan et al discloses property selection means, associated with each of the intelligent terminals for randomly, generally or specifically selecting one or more pieces of

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property for review; and property purchase means for automatically generating forms and instructions for the complete payment and transfer of title of selected property (see col. 19, lines 61-67).

As to claims 25 and 26, Nahan et al is vague in disclosing the limitation of “accepting said binding counteroffer from said at least one buyer by said seller . . . .” Although not specifically taught in Nahan et al, a transactional system that consists of an auction by nature receive bids from buyers. The bids will consist of offers for a certain price and another bid from another perspective buyer will consist of a counteroffer and will end at some point in time to award the item for sale to the highest bidder. However, Save the Earth discloses participants are able to receive bids on items over the Internet (see paragraph 5, lines 1-3). Thus, it would have been obvious to one having ordinary skill in the art at the time of the invention to have implemented the transaction system of Nahan et al into an auction mode in order to provide an offer and counteroffer from perspective buyers in an auction system of the collective artwork because Save the Earth provides a well-established means of bidding for items in an auction mode.

As to claims 32 and 52, Nahan et al discloses by clicking on the Price button, the display shows the suggested retail price (see col. 13, lines 13-14); the dealer transmits data about the various works and their corresponding artists entering the information into a standard form . . . if

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the listing dealer wishes to change any of his listing data, he makes the changes and then sends them electronically to the host computer . . . (see col 13, lines 13-53).

As to claim 74, Nahan et al discloses a History button that displays a price history of the displayed work . . . information about the prices paid for the work and/or other works of the same artist (see col. 13, lines 3-12).

***Claim Rejections - 35 USC § 103***

6. Claims 15, 18, 27-29, and 33 are rejected under 35 U.S.C. 103(a) as being unpatentable over Nahan et al in view of Save the Earth as applied to claims 11, 24, and 31 above, and further in view of Official Notice.

As to claims 15, 18, 27-29, 33, Nahan et al discloses a delisting fee charge that the system automatically generates the necessary paperwork (see col. 15, lines 37-38); the listing dealer has significant advantages when he can sell artwork from his own inventory to a customer (e.g., higher profit margin) (see col. 15, lines 44-47); Official Notice is taken that the payment information identifies credit card payment information. Although not specifically taught in Nahan et al, determining and designating a payment method in transactions or auctions is generally recognized as routine knowledge among skilled artisans within the transactional art. When processing a transaction via credit card, a central clearinghouse determines the status of an account identified by the particular card holder. Similarly, when processing a transaction via



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transfer of money, the other bank is called upon for a transfer to the account of the payee. This interbank transfer operation may run through a central clearing house to verify if the account contains sufficient funds to cover the transaction.

Thus it would have been obvious to one skilled in the art at the time of the invention to incorporate processing the payment information in the form of a credit card payment in order to provide an efficient means of verifying the payment of the buyer and to enable authorization from a bank or clearing house to transfer funds for payment.

7. Claim 43 is rejected under 35 U.S.C. 103(a) as being unpatentable over Nahan et al in view of Save the Earth as applied to claim 40 above, and further in view of Computer Museum Holds An Internet Auction ("Computer Museum").

As to claim 43, Nahan et al is vague in disclosing the limitation of "a notification interface program to provide electronic mail notification of said counteroffer to said participant associated with said offer." Although not specifically taught in Nahan et al, all auctions by nature must end at some time to award an item to the highest bidder and the award to the highest bidder would include some form of notification.

However, Computer Museum discloses an Internet auction wherein participants were notified by e-mail as to whether their bids were accepted and further were notified after the auction had been terminated (see paragraphs 9 and 10). It would therefore have been obvious to one having ordinary skill in the art at the time of the invention to have incorporated this teaching

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of termination and notification in the transaction system of Nahan et al because Computer Museum provides a well-established means of communicating over the Internet, i.e. e-mail, in an Internet auction.

### *Conclusion*

8. Any inquiry concerning this communication or earlier communications from the examiner should be directed to **Demetra R. Smith**, whose telephone number is (703) **308-6989**. The examiner can normally be reached on Tuesday-Friday from 8:00 a.m. to 5:00 p.m. EST.


If attempts to reach the examiner by phone fail, the examiner's supervisor, **Kevin J. Teska**, can be reached at (703) **305-9704**. Additionally, the fax phone for Art Unit 2764 is (703) **308-9051 or 308-9052**, (for formal communications intended for entry), or (703) **308-5397** (for informal or draft communications, please label "PROPOSED" OR "DRAFT").

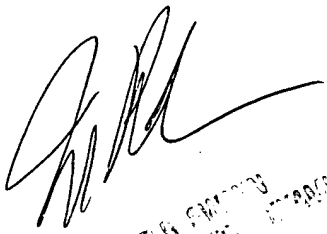
Hand-delivered responses should be brought to Crystal Park II, 2121 Crystal Drive, Arlington, VA, Sixth Floor (Receptionist).

Communications via Internet e-mail regarding this application, other than those under 35 U.S.C. 132 or which otherwise require a signature, may be used by the applicant and should be addressed to [**Demetra.Smith@uspto.gov**].

All Internet e-mail communications will be made of record in the application file. PTO employees do not engage in Internet communications where there exists a possibility that sensitive information could be identified or exchanged unless the record includes a properly signed express waiver of the confidentiality requirement of 35 U.S.C. 122. This is more clearly set forth in the Interim Internet Usage Policy published in the Official Gazette of the Patent and Trademark on February 25, 1997 at 1195 OG 89.

Any inquiry of a general nature or relating to the status of this application should be directed to the Group receptionist at (703) 305-3900.

  
**Demetra R. Smith**  
**Patent Examiner**  
**Group Art Unit 2764**  
July 3, 2000

  
TECHNICAL  
SUPERVISOR & GROUP MANAGER  
GROUP 2764